MUNICIPAL POTASH TAX SHARING ADMINISTRATION BOARD

FINANCIAL STATEMENTS

For the Year Ended December 31, 2015

PROVINCIAL AUDITOR
of Saskatchewan

INDEPENDENT AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the accompanying financial statements of the Municipal Potash Tax Sharing Administration Board, which comprise the statement of financial position as at December 31, 2015, and the statement of operations and accumulated surplus for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards for Treasury Board's approval, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of the Municipal Potash Tax Sharing Administration as at December 31, 2015, and the results of its operations and changes in its accumulated surplus for the year then ended in accordance with Canadian public sector accounting standards.

Judy Ferguson

Regina, Saskatchewan
February 10, 2016

Judy Ferguson, FCPA, FCA
Provincial Auditor

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Statement 1

Municipal Potash Tax Sharing Administration Board
Statement of Financial Position
As at December 31, 2015

	2015	2014
Assets		
Cash	$ 27,588	$ 24,164
Total Assets	27,588	24,164
Liabilities		
Accounts Payable	140	-
Total Liabilities	140	-
Accumulated Surplus (Statement 2)	$ 27,448	$ 24,164

The accompanying notes form an integral part of the financial statements.

Statement 2

Municipal Potash Tax Sharing Administration Board
Statement of Operations and Accumulated Surplus
As at December 31, 2015

			2015	2014
Revenue:				
Municipal Taxes Received From Rural Municipalities (Note 7)			$ 19,048,711	$ 16,125,053
Less: Tax Sharing Distributions (Schedule 1)				
Areas of Influence	**Rural**	**Urban**		
Pense	933,502	103,722	1,037,224	967,259
Esterhazy	6,659,465	739,941	7,399,406	6,075,307
Saskatoon Lanigan	9,541,202	1,045,879	10,587,081	9,057,487
	17,134,169	1,889,542	19,023,711	16,100,053
Revenue Held for Administrative Costs (Note 6)			25,000	25,000
Expenditures:				
Services Provided by Sask Association of Rural Municipalities			18,000	13,000
Secretary-Treasurer's Honorarium			-	3,000
Board Member Per Diems			2,400	3,540
Board Members Travel			240	1,158
Maps			596	580
Consultation Meetings			-	1,088
Insurance			300	300
Other Expenses			180	16
			21,716	22,682
Annual Surplus For The Year			3,284	2,318
Accumulated Surplus, Beginning of Year			24,164	21,846
Accumulated Surplus, End of Year (To Statement 1)			$ 27,448	$ 24,164

The accompanying notes form an integral part of the financial statements.

Municipal Potash Tax Sharing Administration Board
Notes to the Financial Statements
December 31, 2015

1. Authority

The Municipal Potash Tax Sharing Administration Board (Board) was established under Section 3 of *The Municipal Tax Sharing (Potash) Act* (Act). Under provisions of the Act, taxes levied by rural municipalities on potash mines are remitted to the Board. The Board administers the tax sharing program established under the Act. Disbursements to municipalities, located within the areas of influence of a potash development, are made on the basis of formulae prescribed in regulations to the Act.

The Board is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards. The Board maintains a system of accounting and administrative controls to ensure that accurate and reliable financial statements are prepared and to obtain reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are maintained.

2. Significant Accounting Policies

These financial statements have been prepared using Canadian public sector accounting standards. The following accounting policies are considered significant.

a) Revenue - The municipal taxes received from rural municipalities are recognized as revenue when received or receivable.

b) Tax Sharing Distributions - Tax sharing distributions are recorded as an expense when the calculations have been approved by the Board.

3. Cash Flow Statement

A cash flow statement has not been provided since cash flow information is readily apparent from the other financial statements.

4. Budget

The budgeted amounts disclosed in these statements are those approved by the Board on March 24, 2015.

5. Distribution of Funds

As per Section 7(1) of the General Regulations under *The Municipal Potash Tax Sharing (Potash) Act,* the funds available for distribution to municipalities are disbursed to the municipalities in each unit with 90% being paid to rural municipalities and 10% being paid to urban municipalities.

6. Administration Costs

The regulations permit the Board to withhold up to 0.5% of taxes received, to a maximum of $25,000, for the administration costs of the Board. During the year, the Board withheld 0.13% (2014 - 0.2%) of taxes received totalling $25,000 (2014 - $25,000).

7. Municipal Taxes From Rural Municipalities

The following table provides details of the Municipal Potash Tax Levy remitted by each rural municipality, net of discounts.

Rural Municipality	RM #	Budget 2015	Actual 2015	Actual 2014
Pense Area:				
Pense	160	$ 1,038,587	$ 1,038,587	$ 968,761
Esterhazy Area:				
Rocanville	151	4,128,651	4,128,651	2,972,524
Spy Hill	152	2,095,286	2,095,286	1,907,475
Langenburg	181	1,185,193	1,185,193	1,204,740
		7,409,130	7,409,130	6,084,739
Saskatoon Lanigan Area:				
Usborne	310	2,685,554	2,685,554	2,493,310
Colonsay	342	1,568,511	1,568,511	1,093,649
Blucher	343	2,254,506	2,232,014	1,799,330
Corman Park	344	2,285,146	2,285,146	2,062,791
Vanscoy	345	1,830,396	1,829,769	1,622,473
		10,624,113	10,600,994	9,071,553
		$ 19,071,830	$ 19,048,711	$ 16,125,053

Schedule 1

Municipal Potash Tax Sharing Administration Board
Schedule of Tax Sharing Distributions
For the Year Ended December 31, 2015

		Budget 2015	Actual 2015	Actual 2014
Pense Area				
Rural Municipalities				
129	Bratt's Lake	$ 7,050	$ 7,050	$ 6,443
130	Redburn	133,030	133,030	129,517
131	Baildon	49,268	49,268	42,116
159	Sherwood	65,128	65,127	56,369
160	Pense	444,603	444,603	405,813
161	Moose Jaw	164,667	164,667	165,613
189	Lumsden	26,783	26,783	25,422
190	Dufferin	30,220	30,220	26,329
191	Marquis	12,754	12,754	12,911
		933,503	933,502	870,533
Urban Municipalities				
Village of Belle Plaine		5,250	5,250	6,547
Village of Bethune		7,955	7,955	9,921
Village of Briercrest		2,207	2,207	2,753
Village of Disley		1,492	1,491	1,860
Village of Drinkwater		5,171	5,171	6,448
Village of Grand Coulee		11,356	11,356	14,162
Town of Lumsden		26,162	26,162	-
Town of Pense		42,320	42,320	52,778
Village of Tuxford		1,810	1,810	2,257
		103,723	103,722	96,726
Total - Pense Area		1,037,226	1,037,224	967,259
Esterhazy Area:				
Rural Municipalities				
121	Moosomin	204,945	204,945	182,382
122	Martin	66,346	66,346	56,306
151	Rocanville	1,470,251	1,470,248	980,052
152	Spy Hill	1,966,555	1,966,552	1,767,516
153	Willowdale	82,428	82,428	74,188
181	Langenburg	1,259,351	1,259,349	1,139,577
183	Fertile Belt	1,164,638	1,164,636	873,530
211	Churchbridge	281,653	281,652	253,740
213	Saltcoats	163,309	163,309	140,485
		6,659,476	6,659,465	5,467,776

Municipal Potash Tax Sharing Administration Board
Schedule of Tax Sharing Distributions
For the Year Ended December 31, 2015

	Budget 2015	Actual 2015	Actual 2014
Urban Municipalities			
Village of Atwater	1,488	1,488	1,222
Village of Bangor	2,208	2,208	1,813
Town of Bredenbury	17,472	17,473	14,346
Town of Churchbridge	35,665	35,665	29,283
Town of Esterhazy	333,322	333,321	273,675
Village of Gerald	21,889	21,889	17,972
Town of Langenburg	51,554	51,553	42,328
Town of Rocanville	164,549	164,549	135,103
Village of Spy Hill	39,169	39,169	32,160
Village of Stockholm	16,368	16,368	13,439
Village of Tantallon	20,161	20,161	16,553
Village of Welwyn	25,921	25,921	21,282
Village of Yarbo	10,176	10,176	8,355
	739,942	739,941	607,531
Total - Esterhazy Area	7,399,418	7,399,406	6,075,307
Saskatoon/Lanigan Area:			
Rural Municipalities			
279 Mount Hope	205	204	187
280 Wreford	59,433	59,303	52,204
281 Wood Creek	5,656	5,644	4,157
283 Rosedale	5,083	5,071	4,606
309 Prairie Rose	267,446	266,864	208,291
310 Usborne	1,189,061	1,186,471	990,113
312 Morris	786,559	784,846	640,976
313 Lost River	392,952	392,096	339,849
314 Dundurn	275,029	274,430	232,221
315 Montrose	310,320	309,644	220,799
316 Harris	80,172	79,998	61,454
339 Leroy	136,039	135,743	122,046
340 Wolverine	964,856	962,755	888,439
341 Viscount	677,531	676,055	548,252
342 Colonsay	730,323	728,733	610,642
343 Blucher	725,445	723,894	633,676
344 Corman Park	909,400	907,419	805,489
345 Vanscoy	994,081	991,916	894,393
346 Perdue	346,020	345,267	259,896
370 Humboldt	6,681	6,667	5,730
371 Bayne	122,636	122,369	95,794
372 Grant	176,371	175,987	176,422
373 Aberdeen	327,084	326,372	293,300
376 Eagle Creek	73,614	73,454	62,802
	9,561,997	9,541,202	8,151,738

Municipal Potash Tax Sharing Administration Board
Schedule of Tax Sharing Distributions
For the Year Ended December 31, 2015

	Budget 2015	Actual 2015	Actual 2014
Urban Municipalities			
Town of Aberdeen	24,291	24,238	21,586
Town of Allan	105,113	104,881	93,405
Town of Asquith	24,453	24,399	21,730
Village of Bradwell	37,309	37,226	33,153
Village of Clavet	62,614	62,475	55,640
Town of Colonsay	77,050	76,880	68,468
Town of Dalmeny	54,787	54,666	48,685
Town of Delisle	158,156	157,807	140,541
Village of Drake	8,192	8,174	7,279
Village of Elstow	-	-	12,829
Village of Kinley	1,825	1,821	1,622
Town of Langham	46,433	46,331	41,261
Town of Lanigan	193,843	193,415	172,252
Village of Meacham	3,406	3,399	3,027
Town of Osler	42,337	42,244	-
Village of Perdue	14,680	14,648	13,045
Village of Plunkett	3,042	3,035	2,703
Village of Tessier	1,014	1,012	-
Village of Vanscoy	61,154	61,019	54,342
Village of Viscount	40,877	40,787	36,324
Town of Vonda	14,315	14,284	12,721
Town of Watrous	57,930	57,802	51,478
Village of Young	9,692	9,671	8,613
Village of Zelma	5,677	5,665	5,045
	1,048,190	1,045,879	905,749
Total - Saskatoon Lanigan Area	10,610,187	10,587,081	9,057,487
Total Tax Sharing (To Statement 2)	$ 19,046,831	$ 19,023,711	$ 16,100,053